



HUGHES BAUMAN PFEIFFER
GORSKI & SEEDORF, LLC
ATTORNEYS AT LAW

April 4, 2006

Direct Dial:
(907) 263-8241
E-mail: **FAP@hbplaw.net**

Grant E. Watts
Holmes Weddle & Barcott
701 West 8th Avenue
Suite 700
Anchorage, AK 99501-3408

RE: *Spenard Builders Supply, Inc. v. Strand Hunt Construction, Inc.*
Joint Security Complex, Eielson AFB, AK
United States Army Corps Contract No. W911KB-04-3-0008
Our File No. 1187-3024

Dear Grant:

As counsel for Strand Hunt Construction, Inc. ("SHC"), I wish to advise you that pursuant to paragraph 17 of the Subcontract between SHC and Titan Manufacturing ("Titan")/Spenard Builders Supply, Inc. ("SBS"), SHC demands arbitration against Titan/SBS for the sum of \$44,108.13 inclusive of the amount of \$41,939.13 that SHC has withheld from Titan/SBS because of the claimed defective performance by Titan/SBS on the above referenced Project and the amount of \$2,169.00 that SBS has asserted as claims for extra compensation plus costs, expenses, and attorneys' fees. The Demand for Arbitration is set forth in a formal demand which is attached hereto.

Under paragraph 17, the parties can mutually agree upon an arbitrator for a non-administered arbitration or the arbitration can be conducted with the assistance of a recognized professional arbitration service. SHC proposes a non-administered arbitration with the following arbitrators being acceptable to SHC in the order of preference:

- Michael E. Kreger
- Mark Bledsoe
- Peter Ginder
- Douglas Serdahley

Grant E. Watts

April 4, 2006

Page 2

HUGHES BAUMAN PFIFFNER
GORSKI & SEEDORF, LLC
ATTORNEYS AT LAW

- Mark Rowland

Please advise me relative to your client's willingness to use any or all of the above referenced individuals as an arbitrator in a non-administered arbitration. If your clients are not agreeable with such a procedure, SHC will file the demand for arbitration with the American Arbitration Association. Presumably your clients will not object to the American Arbitration Association as a "recognized professional arbitration service."

If you have any questions, do not hesitate to contact me.

Very truly yours,
HUGHES BAUMAN PFIFFNER
GORSKI & SEEDORF, LLC

By


Frank A. Pfiffner

FAP:cah/244575

cc: Rollie Hunt

STRAND HUNT CONSTRUCTION, INC.

Claimant,

vs.

TITAN MANUFACTURING and
SPENARD BUILDERS SUPPLY, INC.

Respondents.

DEMAND FOR ARBITRATION

Strand Hunt Construction, Inc. ("SHC"), by and through counsel, hereby gives written notice to Titan Manufacturing ("Titan") and Spenard Builders Supply, Inc. ("SBS") of SHC's intent, pursuant to the arbitration clause in the Material Contract dated July 20, 2004, between SHC and Titan/SBS ("the Subcontract"), to arbitrate the dispute described below.

1. SHC is the general contractor for the Design/Build Joint Security Complex at Eielson AFB, Alaska, Project No. 2911KB-04-C-0008 ("the Project").
2. The United States Government is the Owner of the Project.
3. Pursuant to the Subcontract, Titan and SBS agreed to and did provide all light gauge trusses for the Mansard roof for the Project.

Demand for Arbitration

Strand Hunt Construction, Inc. v. Spenard Builders Supply, Inc.
(1187-3024/244630)

Page 1 of 4

Ex. B, pg. 3 of 11

4. The Subcontract required that the trusses would be provided FOB jobsite "PER YOUR QUOTE". The quote required Titan and SBS to provide truss clips and all and any trusses needed to do the job including built in soffits on truss tails. SHC never modified the Subcontract on any issue relevant to this arbitration demand.

5. In breach of the Subcontract, Titan and SBS supplied defective trusses to the Project without built in soffits on the truss tails.

6. SHC had to field fabricate the soffits on the truss tails during the dead of winter at considerable expense.

7. The Subcontract also required Titan and SBS to provide all fill in pieces to make the Mansard roof and all clips and fasteners to tie the whole system together.

8. In breach of the Subcontract, Titan and SBS did not supply fill in pieces and did not provide the clips and fasteners to tie the whole system together.

9. SHC had to supply fill in pieces and clips and fasteners at considerable expense.

10. The total extra costs to SHC as a result of the defective performance and breach of contract by Titan and SBS are \$41,939.13 as detailed in Exhibit A attached hereto.

11. SHC withheld properly the sum of \$41,939.13 from Titan and SBS for the breach of the Subcontract and the defective performance by Titan and SBS.

Demand for Arbitration

Strand Hunt Construction, Inc. v. Spenard Builders Supply, Inc.
(1187-3024/244630)

12. Titan and SBS have asserted a claim against SHC in the amount of \$1,200.00 for alleged truss design costs due to camber in the trusses. SHC does not believe that the claim is valid because the alleged extra work is within the scope of Titan and SBS's contractually required work.

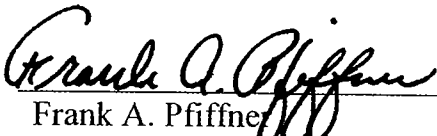
13. Titan and SBS have asserted a claim against SHC in the amount of \$969 for alleged additional track and studs required for the Mansard roof light gage framing. SHC does not believe that the claim is valid because the alleged extra work is within the scope of Titan and SBS's contractually required work.

14. Pursuant to the Subcontract, the prevailing party is entitled to recover reasonable attorneys' fees, costs and expenses related to this dispute.

WHEREFORE, SHC prays that the arbitrator rule that it properly withheld the sum of \$41,939.13 from Titan and SBS; that the claims of Titan and SBS for extra compensation are without merit; and that it is entitled to its reasonable attorneys' fees, costs, and expenses related to this dispute in an amount to be determined at the hearing of this dispute.

DATED at Anchorage, Alaska, this 4th day of April, 2006.

HUGHES BAUMAN PFIFFNER
GORSKI & SEEDORF, LLC
Attorneys for Claimant
Strand Hunt Construction, Inc.

By: 
Frank A. Pfiffner
3900 C Street, Suite 1001
Anchorage, Alaska 99503
Telephone: (907) 274-7522
Facsimile: (907) 263-8320
FAP@hbplaw.net
ABA No. 7505032

Certificate of Service

I hereby certify that on April 4, 2006, a copy of the Demand for Arbitration was served by hand-delivery on:

Grant E. Watts
Holmes Weddle & Barcott, PC
701 West 8th Avenue
Suite 700
Anchorage, AK 99501


Cheryl Hannon

COST SUMMARY

Spendard Builders Supply Costs
Codes: 050-05351 & 050-5350

Clips and Fasteners	\$3,597.75
Tools and Consumables (See Exhibit A.2)	584.76
Strand Hunt Furnished Items	
Lifts and Scaffolds	
30' Snorkel – 9 weeks @ 600.00/week (See Exhibit F)	5,400.00
Strand Hunt Labor – Soffits (See Exhibit F & H)	
Actual through 2/12/05	23,372.00
Labor for west side after 2/12/05	2,000.00
Small tools @ 3% of labor	<u>761.16</u>
Subtotal	\$35,715.67
Overhead @ 6.75%	<u>2,410.81</u>
Subtotal	\$38,126.48
Fee @ 10%	<u>3,812.65</u>
Total	<u>\$41,939.13</u>

CLIPS & FASTENERS =

A) CLIPS AND FASTENERS / TRUSS FILL-IN

1) Denali Industries

• P. O. 102909 Screws for metal stud trusses	\$1,108.20
• P. O. 103141 #10 X ¾ self tapping hex screws	\$779.50
• P. O. 103019 Neogen light and wedge anchors	\$51.56
• P.O. 103035 Zinc paint	\$232.80
• P.O. 103124 Wedge anchors	\$63.30
• P.O. 102971 Wedge anchors	\$211.00
• P.O. 103182 Concrete pins / steel pins	\$1,302.00
• P.O. 103226 Self drilling screws	\$14.58
• P.O. 103259 Wedge anchors	\$67.61

2) Alaska Steel

• P.O. 103139 Hat channel	\$384.30
2" metal strapping	\$220.00
• P.O. 103160 Hat channel	\$756.00
• P.O. 102936 6" – 18 ga. flat stock strapping	\$1,500.00
20 ga. studs for trusses	\$1,536.00

- P. O. 103114
1.5" X 20 ga. hat channel \$1,575.00
- P.O. 103129
3" - 20 ga. flat stock strapping \$495.00
- P.O. 103237
2" - 20 ga. flat stock strapping \$264.00
- P.O. 103238
2", 3" & 6" - 20 ga. flat stock strapping \$1,180.00
- P.O. 102921
2" & 6" flat stock \$735.00
6" flat stock \$600.00
- P.O. 103176
2 1/2" X 14' studs and track for soffits \$1,470.00

3) Uresco Construction Materials

- P.O. 103113
1 5/8 X 20 ga. steel studs \$367.68
- P.O. 103174
2 1/2 steel studs and track \$703.20

4) Sun Air Sheet Metal

- P.O. 103169
Angle metal and 90° angles \$2,440.00

TOTAL \$18,056.73

CLIPS & FASTENERS TOTAL =

\$ 3597.75

B) TOOLS AND CONSUMABLES

1) Denali Industries

• P. O. 103026	\$262.30
Chip saw blades / quick saw blades	
• P. O. 103121	
Bit holders, nut drivers, Philip bits, red oxide primer	\$138.46
• P. O. Box 103259	
7 1/4" metal blades	<u>\$184.00</u>
TOTAL	\$584.76

Report Set: 04007
 Job: 07007215
 Phase: 07007215
 Cost Type: ALL
 Tran. Type: ALL
 Vendor: ALL
 Employee: ALL
 Inv. Item: ALL

Job Status: A
 Phase Status: ALL
 Division: ALL
 Pre-Time Card Batch: Not Applicable
 Customer: ALL
 Draw Appl. #: ALL

STRAND HUNT CONSTRUCTION INC
 Job Cost History Report From Inception To 12/01/05
 Includes Posted Transactions Only

UnPosted?

Date Tran

Type Reference

Description

Additional Information

Hours

Quantity

Amount

Unit of Measure

Job: 04007 JOINT SECURITY COMPLEX									
Phase: 070-07215 SOFFITS @ EXTERIOR WALLS Cost Type: L LABOR									
12/30/04	PR	3200	GABRIAL H. FETTERS	Check# 62988					
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 63001	3.00			167.69	
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 63056	20.00			1,339.04	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63057	40.00			2,235.91	
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 63110	26.00			1,453.34	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63169	8.00			447.18	
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 63170	58.00			3,573.71	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63230	57.50			3,536.55	
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 63231	28.00			1,565.14	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63289	28.00			1,565.14	
12/30/04	PR	13653	CHARLES E WALMSLEY JR	Check# 11187	35.00			1,956.43	
12/30/04	PR	12450	WILLIAM F. STENBERG	Check# 11191	40.00			2,235.92	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63351	10.00			561.64	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63439	8.00			447.18	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63735	20.00			1,117.97	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63735	10.00			558.98	
12/30/04	PR	12500	JAMES EDWARD STEWARD	Check# 63735	11.00			611.40	

Subtotal for Phase: 070-07215 SOFFITS @ EXTERIOR WALLS Cost Type: L LABOR

Total for Job: 04007 JOINT SECURITY COMPLEX

402.50	0.00	23,373.22
402.50	0.00	23,373.22

Unit	LABOR	Total
70-07215 SOFFITS @ EXTERIOR WALLS	402.50	402.50
	23,373.22	23,373.22
Total	402.50	402.50
	23,373.22	23,373.22